

Rep. Holt often hears from New Jersey residents about the implementation of the health reform law. Below you will find answers to frequently asked questions.

How does health reform affect Medicare?

Health reform strengthens Medicare in a number of ways and will help Medicare remain financially solvent for 12 additional years.

Each year, 8,3000 seniors on Medicare in New Jersey's 12th district experience the coverage gap, or the donut hole, when Medicare Part D assistance stops after \$2,800 in prescription expenses. Health reform helps seniors in the donut hole. Already, millions of seniors, thousands from our neighborhoods, who were in the donut hole have received a \$250 rebate check to help with high prescription drug costs. Further, starting in 2011, Medicare beneficiaries in the donut hole will receive a 50 percent discount on brand name drugs. Health reform will close the donut hole completely by 2020.

Additionally, health reform provides seniors with better health care. Starting this year, seniors will receive free annual wellness visits and preventive care, including screenings for cancer. Before health reform, seniors had to pay 20 percent of the cost of any preventive services on their own. Plus, health reform will increase the number of primary care physicians and nurses that will participate in Medicare. This increase in health care providers will lead to greater access to physicians for Medicare beneficiaries.

Health reform will save Medicare billions of dollars by cracking down on waste, fraud, and abuse.

Can I add my adult child to my health insurance plan?

Starting in September 2010, most new health insurance plans began to include coverage for dependents up to the age of 26. This provision allows parents to add their adult children back

to their health insurance plans.

Unfortunately, military families were originally left out of this provision. Rep. Holt supported legislation that changed that, and now military families are able to include their adult children up to the age of 26 back to their health insurance plans.

Are my premiums increasing because of health reform?

Recent increases in health care premiums and deductibles are not due to health reform. The premium increases, sometimes double-digit rate increases, are due in part to insurance company actions. Many people have contacted Rep. Holt blaming the new health care law – which is only beginning to take effect – for increases in premiums. It is fair to ask if the new law is to blame for the large increases in premiums over the past decade—much greater than the increases in the general cost of living. The premium increases people are seeing are not an argument against the new law; rather, they show why the new law is necessary.

Does health reform require small businesses to fill out more tax reforms?

Rep. Holt understand concerns about a section of the new healthcare law that would require landlords and other business owners to provide an IRS form 1099 to all vendors with whom they pay \$600 or more annually for their services. As with every major law, including the laws that created Social Security and Medicare, Congress will continue to revisit this legislation to adjust it to changing conditions and to improve it over the years to come.

Rep. Holt agrees that this provision could be onerous for smaller business owners who frequently contract out a high percentage of their work and who do not have an accountant on staff. He is a cosponsor of the Small Business Tax Relief Act, which would repeal the 1099 provision.

Does one need a prescription for over-the-counter medications for a Flexible Spending Account?

Starting January 1, 2011, over-the-counter medications need a prescription from a physician to be reimbursable expenses of a Flexible Spending Accounts. Rep. Holt agrees that this provision is inconvenient for individuals and families trying to save for medical costs. He is working to change this burdensome provision.